

SB 248

4-21-15

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SB 248

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Board Member – Michigan Brain Injury Providers Council

Impact of SB 248 on Small Businesses and Analysis of Fee Schedules

Small Business – The Post-Acute Industry is made up of primarily a wide variety of small to medium-size businesses and independent practicing healthcare professionals and hospitals, both for-profit and not-for-profit. The vast majority of which I am referring to provide specialty services to people with brain and spinal cord injuries, many of whom are injured at a young age. While SB 248 has many elements that impact the existing no-fault law, my comments are limited mainly to the Fee Schedules and their impact on these businesses, jobs, and the patients who receive treatment under this law.

Fee Schedules

The bill has considered two different types of fee schedules. There has been discussion of a Workers Compensation Fee schedule and now, if insurance companies can't negotiate something less, they would have to pay the average amount the institution customarily accepts from other sources excluding No-fault, Medicare, and Medicaid. This is not an appropriate payment plan for no-fault, will drive service providers out of business, and will diminish the availability and access to quality care for accident victims.

The Patient Population treated and paid for under General Insurance and Work Comp is significantly different from the Auto No-fault Patient Population

- General Insurance – Approximately 1.2% of patients have Brain Injury (CDC study)
- MCCA Population – Approximately 51.0% of patients have Brain/Spinal Injury (MCCA)
- These are two significantly different patients populations
- A Traumatic Brain Injury is an alteration in brain behavior relations that impacts a person cognitively, behaviorally, emotionally, and physical
- The average needs of people with Brain / Spinal Cord Injuries are significantly more than the General Population's average needs
- The average cost of care for people with Brain / SCI is significantly more
- As a result, Fee Schedules created for the General Public or Work Comp simply do not apply

An average hour of therapy for an Auto Accident Victim can be more costly and involved than for the average person contemplated under General Insurance and Work Comp

- I have provided an example of CPT Code 97003 – Occupational Therapy Evaluation, however there are many more that we deal with everyday
- While this code would pay the same amount under the proposed legislation for every patient, the services performed for the person with a Brain Injury, for example, may be for 4 times more intensive and costly to perform than for the average person treated under General Insurance
- While the CPT Code may be the same, the average payment for the average service provided under No-fault should be more than the average payment afforded under General or Work Comp Insurance

Treatment Models differ when treating people with Brain and Spinal Cord Injuries

- Again, a Traumatic Brain Injury impacts a person cognitively, behaviorally, emotionally, and physical
- Intensity of Treatment can be great - It is not uncommon to require multiple people to treat a patient, move a patient, ambulate a patient, address behavioral or other issues throughout a treatment session and throughout the day/night
- Specialty Equipment– hospitals and clinics invest in this equipment to best address the needs of these patients. It can be very costly.
- Reporting Issues – auto no-fault carriers require extensive reporting. We are happy to provide this information, however it requires time and expense which needs to be taken into account. These schedules would not.

The Fee Schedule Provision would result in a significant revenue decline for covered services, guaranteed losses for many providers, and drive many healthcare organizations out of business

Impact on post-acute industry –

- Treatment quality for patients in need of care would be diminished, as healthcare providers would be required to perform the same services with significantly reduced resources to accomplish goals
- Businesses will struggle to attract and retain quality employees skilled in working with individuals who have neurological impairments
- This Schedule would result in significant jobs lost at our business and throughout the post-acute brain and spinal cord injury community

Overall

The impact of this bill on the post-acute industry, healthcare industry as a whole, patients, and the public would be devastating.

We courage you to slow down and to take the time necessary to evaluate this complex issue. There is no need to rush a bill through.

Michigan has a model system of care for people with catastrophic injuries. These Fee Schedules will not improve no-fault. We should be considering tweaks to continually improve the system, not devastating legislation that harms the system.

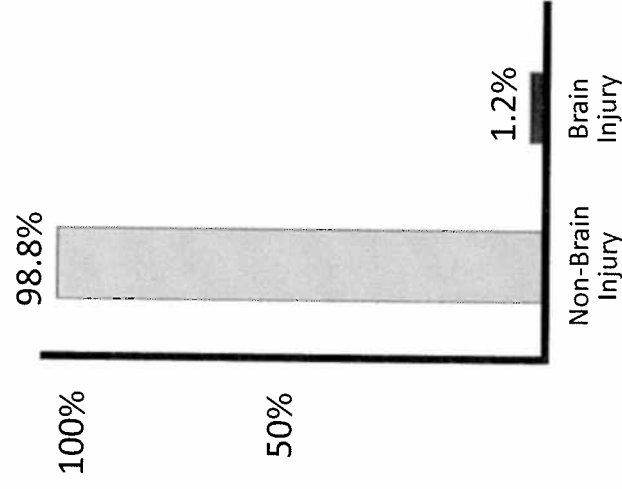
- Consider a fraud provisions that include healthcare representatives to help identify and **take costs out the system**
- Consider consumer protection and dispute resolution options to reduce the amount of litigation and **take costs out the system**
- Consider requirements to insurers to accept electronic billing from providers for no-fault claims to reduce the amount of inefficient claims handing and **take costs out the system**
- Consider requirements for insurers and commercial insurers to work cooperatively on cases involving coordinated benefits to improve patient access to care, reduce insurance and provider administrative costs, litigation, and **take costs out the system**

Comparison of Injury Distribution

General Population

MCCA Population

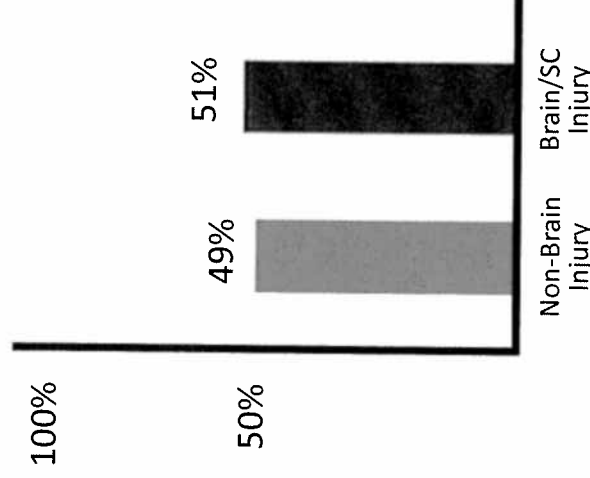
ER Visits and Hospitalizations



Center For Disease Control ^a

^a Faul M, Xu L, Wald MM, Coronado VG. Traumatic Brain Injury in the United States: Emergency Department Visits, Hospitalization and Deaths 2002-2006. Atlanta (GA): Centers For Disease Control and Prevention, National Center for Injury Prevention and Control; 2010

Injury Type



MCCA ^b

^b <http://www.michigancatastrophic.com/Home/tabid/94/Default.aspx>

Why Do Some Treatments Under Auto No-Fault Cost More?

Example: Occupational Therapy Evaluation – CPT Code 97003

General Population

Wrist/Hand Injury

- Patient Profile & History
- Current Symptoms

Current Functional Assessment

- Hand Functions
- Fine Motor & Sensation

MCCA Population

Brain/Spinal Injury

- Patient Profile & History
- Current Symptoms

Current Function Assessment

- Fine Motor & Sensation
- Range of Motion
- Tone
- Mobility
- Reflexes & Posture
- Balance
- Transfers
- Basic Activities of Daily Living
- Bathing
- Grooming
- Dressing
- Feeding
- Functional Mobility

- Transfers
- Toileting
- Instrumental Activities of Daily Living
- Household Management
- Laundry
- Grocery List
- Meal Preparation
- Financial Management
- Medication Management
- Work Skills
- Community Access
- Cognition
 - Orientation
 - Visual Perception
 - Spatial Perception
 - Motor Praxis
 - Visuomotor
 - Organization
 - Thinking Operations
 - Attention & Concentration
- Vision
- Safety Awareness

Patient Treatment Models Differ

